

**ARIZONA DEPARTMENT OF INSURANCE**  
**General Property & Casualty Filing Information/Instructions**

**NOTE: THESE INSTRUCTIONS ARE SUBJECT TO CHANGE. THEREFORE, THEY SHOULD BE REVIEWED PRIOR TO MAKING ANY FUTURE FILINGS.**

**PLEASE READ THESE GENERAL INTRODUCTORY INSTRUCTIONS BEFORE SUBMITTING A PROPERTY & CASUALTY FILING TO THE ARIZONA DEPARTMENT OF INSURANCE (ADOI)! ALSO READ THE SPECIFIC INSTRUCTIONS APPLYING TO EACH LINE FOR WHICH A FILING WILL BE MADE BEFORE SUBMITTING A FILING.**

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### **1. Filing Fee:**

Arizona does not have a filing fee.

### **2. Readability Requirement:**

A Flesch Score of 40 or more is required on all homeowners', mobile homeowners, personal line dwelling policies (four family units or less) and personal automobile form filings.

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**3. Documents Required To Be Submitted with the Filing:**

Each line of insurance for which a property and casualty filing is required to be accompanied by:

- a. A completed Property & Casualty Transmittal Document. **This form replaces forms OCR-1A/G166, OCR-1B/G166, and form G178. Include the Property & Casualty Transmittal Document in place of these obsolete forms with a filing.**
- b. A completed checklist for that line of insurance. See Exhibit 1.
- c. A filing explanatory memorandum explaining the filing. If a form filing, the memorandum should describe the changes and identify how the existing form differs from the proposed form. If a rate filing, the memorandum should describe how the rates were developed, explain why the rates should not be considered inadequate or unfairly discriminatory, and include reasoning for any actuarial assumptions made by the insurer, and any other information that will clarify and explain the filing.
- d. An actuarial memorandum and actuarial justification if a rate filing.
- e. The rates, rules, or forms which are a subject of the filing.

NOTE: See the Specific Instruction Sheet for each line of insurance for more detailed instructions.

**4. Electronic/Facsimile Signature:**

An electronic or facsimile signature of an officer may be used.

**5. Multiple Company Filings:**

If the same filing is to be made for more than one company within the company group, the filer should submit one complete Property & Casualty Transmittal Document and reference the affiliated companies that will use the same filing.

**6. Separate Filings:**

Rates/Rules are required to be filed separately from forms as different laws apply to each.

**7. Web Sites:**

- a. [www.id.state.az.us](http://www.id.state.az.us). This is the ADOL's web site. Included on it is general information, information about the Speed To Market Initiative, copies of ADOL circular letters or bulletins, and copies of the Director's orders.
- b. [www.azleg.state.az.us](http://www.azleg.state.az.us). Arizona laws can be accessed at this web site.

**8. Orders:**

The Director has issued orders that may affect your filing. Certain forms and rates are exempted from filing by Order of the Director, Docket No 05A-108-INS, filed October 21, 2005. Please do not file a form that has been exempted from filing by the Director. Orders can be viewed at the ADOL's web site. By Order of the Director, Docket No 05A-108-INS, filed October 21, 2005, certain policies were exempted from the provisions of Article 14, Chapter 6, Title 20, Arizona Revised Statutes, relating to cancellation, nonrenewal, or notice of change of commercial insurance. Please review the order before submitting a commercial filing, other

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than a commercial automobile, workers' compensation, excess, or an assigned risk plan filing to which Article 14 does not apply.

**9. Filing-Type Laws:**

Forms: Depending upon the line of insurance, forms may be prior approval or file and use. Please check the specific instructions for the particular line of insurance to find which type of law applies to that line.

Rates/Rules:

- a. Workers' Compensation and Title (file and use with a 30 day waiting period);
- b. Credit Property (prior approval);
- c. Credit Unemployment (prior approval);
- d. All other lines (use and file within 30 days of the effective date). Please review the statutes and the specific instructions applicable to the line of insurance that you are filing before making a filing.

**10. Acceptable Submission Formats:**

The final version of policy forms for approval purposes and documents requiring a signature must be submitted in Adobe Acrobat (PDF) format. The use of other formats may be acceptable in some circumstances, but this should be discussed with the Department prior to the filing's transmittal.

**11. Number of Forms per Component:**

Each policy form in a component must be listed in the component header. If the policy forms are submitted in a component using Adobe Acrobat then a bookmark should be applied to the start of each policy form using the name of the policy form.

**12. No Filing Requirements:**

- a. The following lines of insurance do not have to be filed:
  - 1) Ocean Marine rates and forms.
  - 2) Aircraft rates and forms.
  - 3) Inland marine rates and forms except those, which by general custom of the business are written according to manual rates and rating plans (e.g., valuable papers, etc.).
  - 4) Numerous forms. See Order of the Director, Docket No 05A-108-INS, filed October 21, 2005.
- b. "A" or "a" rates developed by an insurer to be applied individually to the insurance policies of risks, other than medical malpractice risks and industrial insured risks pursuant to § 20-400.10, for which no rate service organization has published a rate or loss costs in this or any other state and for which insufficient similar exposure units and loss experience data exist to develop statistically credible rates for the risk and no homogeneous rating class exists in which the risk could reasonably be placed. **HOWEVER, THE INSURER IS REQUIRED TO ANNUALLY CERTIFY BY JANUARY 30 TO THE DIRECTOR FOR THE PRECEDING CALENDAR YEAR, ON A FORM ACCEPTABLE TO THE DIRECTOR, THAT THE INSURER DID NOT HAVE, WHEN THE RISKS WERE WRITTEN, CREDIBLE EXPERIENCE TO ESTABLISH A RATING CLASS FOR THE SPECIFIC TYPES OF**

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**RISKS.** The insurer or rate service organization on the insurer's behalf is required to file a rate for the specific risks when **either** of the following occurs:

- a) The insurer's written premiums for any specific risk exceed 25% of the insurer's total annual written premiums in Arizona and the insurer has issued contracts for five or more homogeneous (a) rated risks in any consecutive three-year period or
- b) The number of specific risks that are (a) rated meet the standards set forth in the actuarial standard of practice 25 applying to credibility for rate making purposes as adopted by the actuarial standards board as of January 1, 1997.

**13. Checklists:**

Each Property & Casualty line of insurance that has to be filed has a checklist. The checklist is the most important document available to an insurer to assist it in preparing its filing. The checklist is the document that ADOI analysts will use in reviewing an insurer's filing. If the filing does not comply with one of the requirements found on the checklist, the filing will be rejected. Included on the checklist are the applicable statutes, case law, rules, and ADOI policies with which the insurer must comply. The checklist contains a reference column, which must be completed for form filings. However, when a form that is filed does not pertain to specific reference columns, place a "N/A" in the appropriate reference columns. It also contains a description of the types of filing documents that must accompany the filing and a brief description of the actuarial support that must be used to justify a rate filing. The checklist applies to both rate and form filings. The checklist is to be completed and signed by an officer of the insurer. The signature may be an electronic, facsimile signature. **Please note that although the checklists reference the statutes and other applicable laws, it is the insurer's responsibility to have read and correctly applied these laws as they pertain to the filing.**

There are 12 checklists. Review Exhibit 1 attached to determine the checklist you should submit for the category of insurance that you intend to file. Please note that Checklist 9 has numerous lines and subcategories of insurance. You should indicate on Checklist 9, if that is the checklist you intend to complete, the line of insurance and subcategory applicable.

**14. Submission vs. "Filings":**

If a submission does not contain all of the required transmittal forms, documentation, and actuarial support necessary that will permit an analyst to make a decision on the submission, the submission will not rise to the level of a "filing" and will be rejected.

**15. Actions The ADOI Could Take On A Filing:**

If a submission does contain all of the required transmittal forms, documentation, and actuarial support necessary that will permit an analyst to make a decision, then one of the following will occur:

- a. Forms will be approved within 30 days from the date the ADOI receives the form or they will be deemed approved as of the 31<sup>st</sup> day.
- b. Article 4.1 rates/rules (see Checklists 1, 2, 4, 6, 7, 8, 9 and 12 for Article 4.1 lines of insurance) are filed on a use and file basis. That is the insurer must make a filing within 30 days after the effective date of the rate(s). Generally, the ADOI will just acknowledge receipt of the filing to the insurer. The ADOI will review some of these filings on a targeted

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basis. If a filing is not in compliance with the law, the ADOI may issue an order at any time specifying in what respect the filing is in conflict and stating that, within 30 days after the order is issued, the rate is no longer effective. The order will not affect any contract made or issued prior to the effective date of the order. The insurer or rate service organization making the filing may request a hearing pursuant to Title 41, Chapter 6, Article 10.

- c. Workers' compensation rates and forms must be on file for 30 days before they deem. During the 30 day waiting period, the ADOI may disapprove them without first holding a hearing. If the forms or rates deem and the ADOI believes the forms or rates are not in compliance, the ADOI must first hold a hearing pursuant to A.R.S. § 20-358 in order to disapprove the filing.
- d. Title rates must be on file for 30 days before they deem. During the 30 day waiting period, the ADOI may disapprove them without first holding a hearing. A.R.S. § 20-376(D). If the rates deem and the ADOI believes the rates are noncompliant, the ADOI must first hold a hearing pursuant to A.R.S. § 20-378 in order to disapprove the filing. Title forms must first be filed with the Department. The ADOI has 30 days from the date of filing to disapprove the filing, if the 30 days elapses and the form filing has not been disapproved, then the form filing deems. A.R.S. § 20-1591.

**16. Withdrawals:**

An insurer may withdraw its filing at any time. A completed Property & Casualty Transmittal Document must be submitted for withdrawals for filings that have been approved or deemed filed. A letter may be submitted for filings pending Department action.

**17. Definitions:**

As used within the checklists, the following mean:

- a. Zip Code Rating: A type of territorial rating, wherein the insurer groups together individual zip codes which share similar loss exposure and experience into a rating territory for rating purposes. The ADOI's position is that all zip codes must be accounted for within the insurer's rating plan if the insurer elects zip code rating.
- b. Grace Period: The period of time after the premium due date during which a policy remains in force without penalty even though the premium due has not been paid.
- c. Rating Rule: A rate-related rule, a rate-related underwriting rule, a rate-related selection rule, a rate-related eligibility rule, and any-other rule by which the insurer makes a decision relative to the premium charged the policyholder.

**18. Property & Casualty Transmittal Document:**

This document must be completed and accompany all filings, whether the filing is an initial filing, a withdrawal, a replacement or other.

**19. Confidentiality:**

A filing and any supporting information shall be open to public inspection after the filing becomes effective. Filings should not be marked "confidential" or in any other manner qualified as being restricted from public review.

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**20. Filing Number:**

Each insurer shall place on its filing a unique number, which the insurer has assigned and by which the filing may be identified and tracked at all times by both the ADOI and the insurer.

**21. Notification:**

- a. SERFF Filers: Each insurer shall receive, electronically if a SERFF filer, a copy of the respective filing's Property & Casualty Transmittal Document stamped, as appropriate, "acknowledged," "disapproved," or "approved."
- b. Hard Copy Filers: Each insurer shall be mailed a copy of the respective filing's Property & Casualty Transmittal Document stamped, as appropriate, an "acknowledged," "disapproved," or "approved." If the insurer is making a hard copy filing, the insurer should include a self-addressed, stamped envelope or the ADOI will be unable to return a copy of the filing.

NOTE: Filers should elect to make a specific filing either electronically or by hard copy, but not both ways for the same filing.

**22. Rate Or Loss Cost Adoption, Delay Of Adoption, Or Non-Adoption:**

For the lines of insurance exempted by the current exemption order, insurers are not required to submit filings for the adoption or the delay of adoption of a rating organization's rates or loss costs. However, for all lines of insurance, each insurer shall submit a completed Property & Casualty Transmittal Document for the applicable line of insurance if the insurer is a member of a rating organization and has decided to non-adopt the rating organization's rates or loss costs. The Property & Casualty Transmittal Document should explain the reason for the non-adoption and specify a time in the future when the insurer will adopt the rating organization's current rates or loss costs.

**23. Because different laws apply, Combination Rates/Rules/Forms filings are not accepted in Arizona.**

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**EXHIBIT 1**  
**CHECKLISTS BY LINE OF INSURANCE AND SUBCATEGORY**

**CHECKLIST 1: (Homeowners)**

**04 – HOMEOWNERS (HO)**

Homeowners Package  
Mobile Homeowners  
Other

**CHECKLIST 2: (Mortgage Guaranty)**

**06 – MORTGAGE GUARANTY**

(No Subcategories)

**CHECKLIST 3: (Title)**

**33 – TITLE**

(No Subcategories)

**CHECKLIST 4: (Commercial Automobile)**

**19.4 and 21.2 – COMMERCIAL AUTO**

Commercial Automobile Liability  
Commercial Automobile Physical Damage  
Garage Liability  
Garagekeepers  
Purchasing Group (RPG)  
Other

**CHECKLIST 5: (Workers' Compensation)**

**16 – WORKERS COMPENSATION**

Excess Workers' Compensation  
Employers' Liability  
Stop Gap  
Assigned Risk Workers' Compensation

**CHECKLIST 6: (Private Passenger Automobile)**

**19.2 and 21.1 – PRIVATE PASSENGER AUTO**

Antique, classic or kit cars  
Automobile Assigned Risk  
Automobile and Homeowners' Package  
Mechanical Breakdown  
Motor Homes  
Motorcycles  
Private Passenger Automobile Liability  
Private Passenger Physical Damage  
Travel Trailers  
Other

**CHECKLIST 7: (Surety, Financial Guaranty, Fidelity)**

**10 – FINANCIAL GUARANTY**

(No subcategories)

**23 – FIDELITY**

Blanket Fidelity Bonds  
Individual or Schedule Fidelity Bonds  
Other

**24 – SURETY**

Contract Bonds  
Court & Commercial Bonds

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Excise Bonds  
License & Permit Bonds  
Public Officials Bonds  
Other

**CHECKLIST 8: (Medical Malpractice)**

**11 – MEDICAL MALPRACTICE**

Chiropractors  
Dentists  
Health Care Facilities  
Hospitals  
Midwives  
Naturopaths  
Nurses  
Optometrists  
Physicians or Surgeons  
Purchasing Group (RPG)  
Other

**CHECKLIST 9: (Article 4.1 Filings)**

**01 – FIRE**

Commercial Fire  
Dwelling Fire  
Farm Fire  
Other

**02.1 – ALLIED LINES**

Crop Hail  
Other

**02.2 – MULTIPLE PERIL CROP**

(No subcategories)

**02.3 – FEDERAL FLOOD**

Write Your Own  
Other

**03 – FARMOWNERS MULTI-PERIL**

(No subcategories)

**05 (5.1 and 5.2) – COMMERCIAL MULTI-PERIL**

Agri-Business  
Apartments  
Business Owners  
Commercial Output  
Contractors  
Dwelling Package  
Institutional  
Manufacturing  
Mercantile  
Motel/Hotel  
Office  
Services  
Other

**09 – INLAND MARINE**

Accounts Receivable  
Fine Arts  
Valuable Papers

Other (Only controlled lines or lines, which by general custom of the business are written according to manual rates or rating plans; uncontrolled inland marine lines do not have to be filed)

**12 – EARTHQUAKE**

(No subcategories)



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**17 – GENERAL LIABILITY**

Auto Service/Warranty  
Completed Operations  
Construction and Alteration Liability  
Contingent Liability  
Contractual Liability  
Errors & Omissions (E&O) Liability:  
    Accountants  
    Appraisers  
    Convalescent Homes/Nursing Homes  
    Day Care Centers  
    Directors & Officers  
    Employee Benefits  
    Employment Practices  
    Engineers & Architects  
    Insurance Agents  
    Lawyers  
    Public Officials  
    Real Estate Agents  
Guaranteed Asset Protection (GAP)  
Kidnap and Ransom  
Liquor Liability  
Manufacturers & Contractors  
Owners Landlords & Tenants  
Personal Liability  
Pet Insurance  
Pollution Liability  
Purchasing Group (**RP**G)  
Umbrella/Excess (Personal or Commercial)  
Other

**18 – PRODUCTS LIABILITY**

Other

**26 – BURGLARY & THEFT**

Other  
Blanket Crime Policies  
Comprehensive Dishonesty, Disappearance & Destruction Policies

**27 – BOILER & MACHINERY**

(No subcategories)

**28 – CREDIT**

Family Leave of Absence Coverage  
Other (GAP, see Line 17)

**3101 – EXCESS WORKERS COMPENSATION SELF INSURERS**

(No Subcategories)

**CHECKLIST 10: (Credit)**

**28 – CREDIT PROPERTY**

(No Subcategories)

**CHECKLIST 11: (Credit)**

**28 – CREDIT INVOLUNTARY UNEMPLOYMENT**

(No Subcategories)

**CHECKLIST 12: (Combination Private Passenger Automobile and Homeowners)**

**19.2, 21.1 and 04 – PRIVATE PASSENGER AUTO AND HOMEOWNERS**

(No Subcategories)